



Security Council

Distr.: General
14 March 2018

Original: English

Security Council Committee established pursuant to resolution 1718 (2006)

Note verbale dated 14 March 2018 from the Permanent Mission of Armenia to the United Nations addressed to the Chair of the Committee

The Permanent Mission of the Republic of Armenia to the United Nations presents its compliments to the Chair of the Security Committee established pursuant to resolution 1718 (2006) and has the honour to transmit the national implementation report of the Republic of Armenia pursuant to the measures contained in Security Council resolutions 2375 (2017) and 2397 (2017) relevant to Member States (see annex).



Annex to the note verbale dated 14 March 2018 from the Permanent Mission of Armenia to the United Nations addressed to the Chair of the Committee

Report of Armenia on the implementation of Security Council resolutions 2375 (2017) and 2397 (2017)

Have concrete measures, procedures, legislation, regulations or policies been adopted in order to:

Yes/no	Indicate measures (in detail)	Additional information	Remarks
3. Prevent the transfer to or from DPRK of financial transactions, technical training, advice, services and assistance related to: (a) All arms and related materiel? (b) Nuclear, ballistic missile or other WMD-related items or technology? (c) Any item that could contribute to prohibited programmes or activities or evasion of sanctions? (d) Engagement in the hosting of trainers, advisers, or other officials for the purpose of military, paramilitary or police-related training?	Yes (Central Bank)	According to clause 18 of part I of article 10 of the Anti-Money-Laundering/Combating the Financing of Terrorism Law of the Republic of Armenia, the Financial Monitoring Centre of the Central Bank of Armenia is entitled to publish the lists of non-compliant countries or territories, based on data publicized by international structures.	The Financial Monitoring Centre of the Central Bank of Armenia notifies reporting entities about the requirements to freeze funds in the cases described in Security Council resolutions 2375 (2017) and 2397 (2017) and provides the financial institutions with the list of designated persons and entities.
		According to the order of the Head of the Financial Monitoring Centre, lists published by or in accordance with Security Council resolutions shall be monitored and the amendments published on a daily basis.	The definitions of "proliferation-related person" and "lists published by or in accordance with the Security Council resolutions" are now provided in part I of article 3 of the amendments to the Anti-Money-Laundering/Combating the Financing of Terrorism Law, which reads as follows:
			33 (1) Proliferation-related person shall be any person that has been included in the lists published by or in accordance with the United Nations Security Council resolutions establishing targeted financial sanctions with regard to proliferation of weapons of mass destruction and (or) the financing thereof;
			(41) Lists published by or in accordance with the United Nations Security Council resolutions shall be the lists of terrorism-related or

Have concrete measures, procedures, legislation, regulations or policies been adopted in order to:	Yes/no	Indicate measures (in detail)	Additional information	Remarks
4. Prohibit the transfer of any items if a designated individual or entity is the originator, intended recipient or facilitator of the item's transfer: in accordance with its national legal procedures, freeze funds, other financial assets and economic resources owned or controlled by, and ensure that none are made available to benefit designated individuals or entities, entities of the Government of DPRK or the Worker's Party of Korea, those acting on their	Yes (Central Bank)	The mechanism for freezing assets, including funds, other assets and economic resources of individuals or entities designated under United Nations sanctions resolutions is set out under article 28 of the Anti-Money-Laundering/Combating the Financing of Terrorism Law, according to which the property owned or controlled, directly or indirectly, by terrorism-related persons included in the lists published by or in accordance with the Security Council resolutions, as well as in the lists established by the national authority, shall be subject to freezing by customs authorities and	proliferation-related persons published by or in accordance with the United Nations Security Council resolutions. The amendments comprise stipulations relative to targeted financial sanctions in respect of proliferation financing in article 28 of the Anti-Money-Laundering/Combating the Financing of Terrorism Law and other dispositions that ensure the proper application of financial sanctions (see articles 2, 4 and 11 of the amendments to the Anti-Money-Laundering/Combating the Financing of Terrorism Law). In addition, the definition of the crime of proliferation provided by the Criminal Code has been amended to align it with the provisions of resolution 1540 (2004) (see article 1 of the amendments to the Criminal Code). The Financial Monitoring Centre of the Central Bank of Armenia notifies reporting entities about the requirements to freeze funds in the cases described in Security Council resolutions 2375 (2017) and 2397 (2017) and provides the financial institutions with the list of designated persons and entities.	

Have concrete measures, procedures, legislation, regulations or policies been adopted in order to:	Yes/no	Indicate measures (in detail)	Additional information	Remarks
behalf or at their direction and entities owned or controlled by them?		reporting entities without delay and without prior notice to the persons involved.		
		According to article 30 of the Anti-Money-Laundering/Combating the Financing of Terrorism Law, non-compliance or inadequate compliance with the requirements of the Law (including freezing requirements) or the legal statutes adopted on the basis thereof by financial institutions shall result in responsibility measures, as established by the legislation regulating their activities, in the manner provided for under such legislation.		
5. Prevent (restrict) entry or transit of designated individuals together with their family members; of any individual acting on behalf or at the direction of a designated individual or entity or violating the sanctions or assisting in their evasion; of members of the Government of DPRK, officials of that Government, and members of the DPRK armed forces if the State determines that such members or officials are associated with the nuclear or ballistic missile programmes of DPRK or other activities prohibited by resolutions?	Yes (National Security Service)	The entry (or transit) of the individuals of DPRK included in the list according to Security Council resolutions 2375 (2017) and 2397 (2017) is permanently prohibited.		

Have concrete measures, procedures, legislation, regulations or policies been adopted in order to:	Yes/no	Indicate measures (in detail)	Additional information	Remarks
of humanitarian need, including religious obligations, or the Committee concludes that an exemption would further the objectives of the resolutions. States can submit requests for exemptions from the travel ban for designated individuals and entities following the instructions set out in the Committee Guidelines. Expel such an individual for the purpose of repatriation to DPRK or to the individual's State of nationality consistent with applicable national and international law, provided that these measures shall not impede the transit of representatives of the Government of DPRK to the United Nations Headquarters or other United Nations facilities to conduct United Nations business. These measures shall not apply with respect to a particular individual if: • The presence of the individual is required for fulfilment of judicial process; • The presence of the individual is required exclusively for medical, safety or other humanitarian purposes; or				

Have concrete measures, procedures, legislation, regulations or policies been adopted in order to:

Remarks

Additional information

Indicate measures (in detail)

Yes no

- **The Committee has determined on a case-by-case basis that the expulsion of the individual would be contrary to the objectives of the resolutions.**

(Fact Sheet section V and VIII)

6. Financial measures:

Yes (Central Bank)

- (a) Prevent the provision of financial services, or transfer of any financial or other assets or resources, including bulk cash and gold through cash and gold couriers, which could contribute to prohibited programmes or activities of DPRK, or to the evasion of sanctions, and exercise enhanced vigilance in this regard?

According to chapter 2.1 of decision 386-N of 29 July 2005 of the Board of the Central Bank of the Republic of Armenia, in the case of a lump sum import or export of currency (except for coins made of precious metals) and treasury bills (hereinafter referred to as monetary instruments), as well as traveller's checks in excess of the total amount of \$10,000 through the customs border of the Eurasian Economic Union, natural persons shall be obliged to declare in writing the full amount of the monetary instruments and (or) traveller's checks before producing them for customs control, by means of filing a passenger customs declaration.

- (b) Prohibit DPRK banks from opening and operating new branches, subsidiaries, or representative offices; establishing new joint ventures; or taking an ownership interest in or establishing or maintaining correspondent relationships with banks in a State's jurisdiction or within its territory, unless such transactions have been approved by the Committee in advance?

According to article 156.1 of the Customs Code, customs authorities shall suspend transportation of currency and (or) bearer securities based on information received for the purposes of anti-money-laundering or countering the financing of terrorism from the authorized body, as defined under the Anti-Money-Laundering/Combating the Financing of Terrorism Law, or from law enforcement agencies, in accordance with legislation or with international treaties of the Republic of Armenia, and shall draw up a report in two copies in the manner prescribed by legislation or by international treaties of the Republic of

The Financial Monitoring Centre of the Central Bank of Armenia notifies reporting entities about the requirements to freeze funds in the cases described in Security Council resolutions 2375 (2017) and 2397 (2017) and provides the financial institutions with the list of designated persons and entities.

By presidential ordinance, an inter-agency committee on combating counterfeit money, fraud with plastic cards and other payment instruments, money-laundering and terrorism financing in the Republic of Armenia was established on 21 March 2002 and renamed the Republic of Armenia Inter-Agency Committee on Combating Money-Laundering, Terrorism Financing and Financing of Proliferation of Weapons of Mass Destruction. The Inter-Agency Committee's objectives are:

Coordinating actions aimed at the identification and assessment of money-laundering, terrorism financing and proliferation financing risks in Armenia, as well as ensuring that the findings of such assessments are up to date;

Have concrete measures, procedures, legislation, regulations or policies been adopted in order to	Yes/no	Indicate measures (in detail)	Additional information	Remarks
(c) Prohibit financial institutions from opening representative offices or subsidiaries or banking accounts in DPRK?		Armenia. One copy of the report shall be provided to the person transporting currency and (or) bearer securities, and the other copy shall be maintained by the customs authority. Immediately upon suspending transportation of currency and (or) bearer securities, customs authorities shall promptly notify the authorized body or the law enforcement agency specified under clause 1 of the article that had submitted the relevant information.	Developing a unified State policy that reflects the findings of the assessment of money-laundering, terrorism financing and proliferation financing risks in Armenia;	
(d) Prohibit States from having representative offices, subsidiaries or banking accounts in DPRK, if the State has credible information that provides reasonable grounds to believe that such financial services could contribute to the prohibited programmes or activities, unless the Committee determines on a case-by-case basis that such offices, subsidiaries or accounts are required for the delivery of humanitarian assistance or the activities of diplomatic missions in DPRK pursuant to the Vienna Convention on Diplomatic Relations or the activities of the United Nations or its specialized agencies or related organizations, or for any other purposes consistent with the resolutions?		According to point 7 of article 13 of the Anti-Money-Laundering/Combating the Financing of Terrorism Law, within three business days after being notified that the customs authority suspended transportation of currency and (or) bearer securities through the customs border, the authorized body shall be obligated to advise the customs authority on lifting the suspension, or to submit a notification to law enforcement agencies. In the case of submitting a notification, the authorized body shall provide information substantiating the potential link between the suspended currency and (or) bearer securities and money-laundering or terrorism financing. The authorized body shall without delay advise the customs authority on submitting the notification. In addition, according to point 1 of article 28 of the Anti-Money-Laundering/Combating the Financing of Terrorism Law, the property owned or controlled, directly or indirectly, by terrorism-related persons included in the lists published by or in accordance with the Security Council resolutions, as well as in the lists specified under part 2 of the article shall be subject to freezing by customs authorities and reporting	Coordinating domestic and international cooperation in the field of combating money-laundering, terrorism financing and proliferation financing;	Implementing other objectives that are aimed at the enhancement of the effective system in Armenia for combating money-laundering, terrorism financing and proliferation financing and do not contradict the provisions of the presidential ordinance No. NK-1075 on the establishment of a committee of 21 March 2002.
(e) Prohibit the provision of public and private financial support from within their territories or by persons or entities subject to their jurisdiction for trade with				

Have concrete measures, procedures, legislation, regulations or policies been adopted in order to:	Yes no	Indicate measures (in detail)	Additional information	Remarks
DPRK that could contribute to the nuclear or ballistic missile programmes of DPRK or other activities prohibited by the resolutions?		entities without delay and without prior notice to the persons involved. The State bodies or persons that have legally defined powers to restrict (arrest, block, freeze, suspend) the possession, use and (or) disposal of the property stipulated in this part shall exercise their power in the manner established by the law whenever they disclose such property. The procedure of licensing for banking activity, including registration of branches and representative offices of foreign banks, is regulated by the Republic of Armenia Law on Banks and Banking, as well as by regulation 1 on procedures for licensing, registration, giving consent and permission, appraisal of professional adequacy and qualification in the area of activity of banks. Articles 27 and 28 of the Law on Banks and Banking specify, inter alia, the documents to be submitted for the registration of a branch or a representative office of a foreign bank, the registration procedure as well as the grounds for waiving applications for registration. Pursuant to regulation 1, for the prior approval of the issuance of the banking licence, documents to be submitted to the Central Bank by a branch of a foreign bank include a statement indicating that the home country of the foreign bank is considered to be a cooperative country in terms of combating money-laundering and terrorism financing, and that no statement has been published for the given country by the Financial Action Task Force and/or other relevant international body about the non-compliance of the country's system for anti-money-laundering/combating the financing of terrorism.		

Have concrete measures, procedures, legislation, regulations or policies been adopted in order to	Yes/no	Indicate measures (in detail)	Additional information	Remarks
		The definition of freezing, as stated in clause 37 of part 1 of article 3 of the Anti-Money-Laundering/Combating the Financing of Terrorism Law, includes prohibition of the establishment of any business relationship (including provision of financial services) or conduct of occasional transactions with designated persons and entities. Accordingly, reporting entities are prohibited from establishing financial relationships with DPRK banks and making funds or other assets available to or for the benefit of designated entities.		

Abbreviations: DPRK, Democratic People's Republic of Korea; WMD, weapons of mass destruction.

**Security Council**

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15 March 2018
English
Original: Spanish

**Security Council Committee established pursuant to
resolution 1718 (2006)****Note verbale dated 14 March 2018 from the Permanent Mission of
Equatorial Guinea to the United Nations addressed to the Chair of
the Committee**

The Permanent Mission of the Republic of Equatorial Guinea to the United Nations presents its compliments to the Chair of the Security Council Committee established pursuant to resolution 1718 (2006) and has the honour to transmit herewith the preliminary report of the Republic of Equatorial Guinea on the implementation of resolutions 2375 (2017) and 2397 (2017) at the national level (see annex).

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**Annex to the note verbale dated 14 March 2018 from the
Permanent Mission of Equatorial Guinea to the United Nations
addressed to the Chair of the Committee**

**Report of Equatorial Guinea on the implementation of
Security Council resolutions 2375 (2017) and 2397 (2017)**

The Government of the Republic of Equatorial Guinea, which has signed and ratified all multilateral instruments concerning weapons of mass destruction, remains committed to general and complete disarmament, in particular the nuclear disarmament of the Korean Peninsula. The Republic of Equatorial Guinea remains convinced that dialogue is the appropriate framework for the peaceful settlement of disputes and the restoration of peace and security on the Korean Peninsula, and supports the continuation of the process for the denuclearization of the Peninsula, which is fundamental to peace and security in the region pursuant to the Security Council resolutions on the Democratic People's Republic of Korea.

The Republic of Equatorial Guinea applies the restrictive measures imposed on the Democratic People's Republic of Korea by the Security Council Committee established pursuant to resolution 1718 (2006) and has taken all the measures necessary to ensure their implementation by the various departments concerned. In this regard, the Republic of Equatorial Guinea wishes to reiterate its commitment to the implementation of the resolutions on the Democratic People's Republic of Korea, including resolutions 2375 (2017) and 2397 (2017), and to inform the Committee that, in order to prevent any violations of the sanctions and to do everything necessary to give effect to them, the Government of the Republic of Equatorial Guinea, in a communication sent by its Ministry of Foreign Affairs and Cooperation on 3 November 2017, informed the Embassy of the Democratic People's Republic of Korea accredited in Malabo of its decision that all companies of the Democratic People's Republic of Korea established in Equatorial Guinea should cease all commercial activities and urgently repatriate all citizens of the Democratic People's Republic of Korea, while the Government considered other arrangements and measures in that regard.

The Prime Minister of the Republic of Equatorial Guinea held a meeting with the Ambassador of the Democratic People's Republic of Korea, at which the latter was formally informed of the Government's decision of 3 November 2017.

The modalities for implementing the Government's decision are currently under consideration and possible legal implications are being carefully reviewed.

The Republic of Equatorial Guinea reaffirms its resolve to continue to cooperate with the Committee and, in compliance with the relevant resolutions of the Security Council, the Government of the Republic of Equatorial Guinea undertakes to keep the Committee apprised of any additional information that becomes available.



Security Council

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16 March 2018

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Security Council Committee established pursuant to resolution 1718 (2006)

Note verbale dated 15 March 2018 from the Permanent Mission of China to the United Nations addressed to the Chair of the Committee

The Permanent Mission of the People's Republic of China to the United Nations presents its compliments to the Chair of the Security Council Committee established pursuant to resolutions 1718 (2006) and, in accordance with paragraph 17 of Security Council resolution 2397 (2017), has the honour to submit the attached report of China on the implementation of resolution 2397 (2017) (see annex).



**Annex to the note verbale dated 15 March 2018 from the
Permanent Mission of China to the United Nations addressed to
the Chair of the Committee**

[Original: Chinese]

**Report of China on the implementation of Security Council
resolution 2397 (2017)**

1. China supports Security Council resolution 2397 (2017). The resolution clearly states that the international community is firmly opposed to the launching of ballistic missiles and the engagement in nuclear-development activities by the Democratic People's Republic of Korea, while remaining committed to resolving the problem of the Korean peninsula by peaceful, diplomatic and political means. The resolution reaffirms support for the Six-Party Talks and calls for their resumption, while emphasizing that the implementation of the resolution must have no adverse humanitarian effects on the people of the Democratic People's Republic of Korea and their livelihood.

2. China has consistently taken a responsible attitude towards fulfilling its international obligations under the Charter of the United Nations and towards implementing the resolutions of the Security Council, and has put in place a series of effective operational mechanisms and practices. Following the adoption of resolution 2397 (2017), the Ministry of Foreign Affairs of the People's Republic of China, with the authorization of the State Council, issued a circular requiring implementation of the resolution by all Chinese Government ministries and commissions, provinces, autonomous regions and province-level municipalities, as well as the Hong Kong and Macao Special Administrative Regions.

3. China has taken the following measures to implement Security Council resolution 2397 (2017):

(a) On 5 January 2018, in accordance with the Foreign Trade Law of the People's Republic of China, the Chinese Ministry of Commerce and the General Administration of Customs issued Announcement No. 4, which: (1) completely prohibits, with effect from the date of the Announcement, the export of iron, steel and other metals, industrial machinery, and transportation vehicles to the Democratic People's Republic of Korea; (2) limits exports of crude oil to the Democratic People's Republic of Korea. From 23 December 2017 to 22 December 2018 and for each twelve-month period thereafter, exports of crude oil to the Democratic People's Republic of Korea by individual States may not exceed 4 million barrels or 525,000 tons; from 1 January 2018 to 31 December 2018, exports of refined petroleum products to the Democratic People's Republic of Korea by each United Nations Member State may not exceed 500,000 barrels. When the upper-limit amount is approached, the competent authorities of the Chinese Government shall issue, on the basis of the export situation, an Announcement completely banning the export of refined petroleum products to the Democratic People's Republic of Korea for that year with effect from the date of the Announcement, and requiring that the supply, sale or transfer of refined petroleum products do not involve the nuclear or ballistic missile programmes of the Democratic People's Republic of Korea prohibited by United Nations Security Council resolutions but must be exclusively for livelihood purposes of Democratic People's Republic of Korea nationals, and are unrelated to generating revenue for the nuclear or ballistic missile programmes of the Democratic People's Republic of Korea; and (3) completely prohibits, with effect from the date of implementation of the Announcement, imports from the Democratic People's Republic of Korea of some grains and agricultural products, earth and stone

(including magnesite and magnesia), wood, machinery, electrical equipment and vessels. The import of items for which written contracts were signed prior to the date of adoption of the resolution and for which customs import formalities were completed prior to midnight on 22 January 2018 may proceed. Beginning at the zero hour on 23 January 2018, import formalities for the aforementioned products (including cargoes whose customs declarations have been accepted but for which port-release formalities have not been completed) will no longer be carried out, and all such products will thenceforth be handled as prohibited-import cargoes.

(b) On 14 February 2018, in accordance with the Foreign Trade Law and the Administrative Licence Law of the People's Republic of China, the State Administration of Foreign Experts Affairs issued Announcement no. 1, stipulating that the "permits for foreigners to work in China" issued to citizens of the Democratic People's Republic of Korea in accordance with Administration of Foreign Experts Affairs Announcements 1 and 2 of 2017 may not be extended beyond 22 December 2019 if the recipients of such permits are "citizens of the Democratic People's Republic of Korea earning incomes" on Chinese territory.

(c) On 29 January 2018, the Chinese Ministry of Transport issued an announcement prohibiting (1) the entry into port of vessels transporting Democratic People's Republic of Korea-related goods embargoed under Security Council resolutions and which have been included on the Security Council sanctions list; (2) the chartering of vessels flagged by the Democratic People's Republic of Korea by Chinese citizens and enterprises; (3) the provision of shipping-flag registration and insurance, reinsurance, grade certification and other services for Democratic People's Republic of Korea vessels; and (4) the participation of vessels belonging to Chinese citizens or enterprises in "ship-to-ship" transfers of Democratic People's Republic of Korea-related cargoes on the high seas.

(d) To implement the requirements of Security Council resolutions on sanctions relating to the Democratic People's Republic of Korea, China has instituted a comprehensive system of export-control laws and regulations covering nuclear, biological, chemical and ballistic-missile related items and technologies. The regulatory scope of current Chinese export-control legislation is substantially the same as that of established international practice. It is on this basis that China will continue to implement Security Council sanctions resolutions relating to the Democratic People's Republic of Korea and the lists of items and technologies that the Democratic People's Republic of Korea is prohibited from procuring, as determined by the Committee.

(e) The Chinese Government has taken measures to require the freezing of funds, financial assets and economic resources on Chinese territory that are owned or controlled, directly or indirectly, by individuals or entities designated, under Security Council sanctions resolutions relating to the Democratic People's Republic of Korea or by the Committee, as being engaged in or providing support for, including through illicit means, nuclear-related, other weapons of mass destruction-related and ballistic missile-related programmes of the Democratic People's Republic of Korea, or by individuals or entities acting on their behalf or at their direction, as well as all funds, other financial assets, and economic resources outside the Democratic People's Republic of Korea that are directly or indirectly owned or controlled by individuals or entities acting on their behalf, and to ensure that Chinese nationals and any individuals or entities within Chinese territory are prevented from providing any funds, financial assets or economic resources to such individuals or entities.

The Chinese Government has taken measures to refuse entry to such sanctioned individuals and to close the representative offices in China of such sanctioned entities.

4. Under the “one country, two systems” principle, the Chinese Central Government is responsible for managing the foreign relations and defence of the Hong Kong and Macao Special Administrative Regions, while those Regions enjoy executive, legislative and independent judicial and final-adjudication powers. For that reason, the Hong Kong and Macao Special Administrative Regions shall, upon notification by the Central Government, formulate their own laws and regulations for the practical implementation of resolution 2397 (2017).

5. The Chinese Government is of the view that all countries have the duty to implement comprehensively and faithfully the sanctions provisions of resolution 2397 (2017), but it does not favour the arbitrary interpretation or expansion of the sanctions. Security Council resolution 2397 (2017) not only contains sanctions provisions, but also many other important elements such as support for and encouragement of the resumption of the Six-Party Talks, support for the commitments set forth in the September 2005 Joint Statement of the Fourth Round of the Six-Party Talks, and reiteration of the importance of maintaining the peace and stability of the Korean peninsula and north-east Asia at large, along with the Security Council's commitment to a peaceful, diplomatic, and political resolution of the situation, its welcoming of efforts by Council members as well as other States to facilitate a peaceful and comprehensive resolution of the issue through dialogue, and its emphasis on the importance of working to reduce tensions on the Korean peninsula and beyond. This resolution should be implemented in a comprehensive and balanced manner.

6. China has consistently advocated the denuclearization of the Korean peninsula, the maintenance of peace and stability there, and the resolution of problems through dialogue and consultation; it opposes war and chaos on the Korean peninsula. Sanctions are not a goal, and Security Council resolutions cannot fundamentally resolve the nuclear issue on the Korean peninsula. Dialogue and negotiation are the only correct path toward resolving that issue. The nuclear issue on the Korean peninsula must be resolved peacefully and policies must be implemented comprehensively to balance the reasonable security concerns of all parties.

China has made consistent and unremitting efforts to promote the denuclearization of the Korean peninsula and to safeguard its peace and stability. China's concept of “advancing in parallel” by simultaneously promoting the denuclearization of and establishment of peace mechanisms for the peninsula, along with the proposed “double suspension” of the nuclear and missile activities of the Democratic People's Republic of Korea and of the large-scale military exercises of the United States and the Republic of Korea, is an objective, fair and feasible plan that can open up a practical path toward resolving the problem of the Korean peninsula, and it is hoped that all parties can understand and support it.

7. China opposes the deployment of the Terminal High Altitude Area Defence anti-missile system on the peninsula. We also urge the States concerned to cease imposing unilateral sanctions on entities or individuals of other countries according to their own domestic legislation.



Security Council

Distr.: General
19 March 2018

Original: English

Security Council Committee established pursuant to resolution 1718 (2006)

Letter dated 19 March 2018 from the Chargé d'affaires a.i. of the Permanent Mission of Singapore to the United Nations addressed to the Chair of the Committee

I refer to paragraph 17 of Security Council resolution 2397 (2017) of 22 December 2017, in which the Council requested States to report on the measures taken to implement the provisions specified therein.

I enclose the report of the Government of Singapore on the measures taken to implement the provisions of Security Council resolution 2397 (2017) (see annex).

(Signed) Jo-Phie Tang
Chargé d'affaires a.i.



**Annex to the letter dated 19 March 2018 from the Chargé
d'affaires a.i. of the Permanent Mission of Singapore to the
United Nations addressed to the Chair of the Committee**

**Report of Singapore on the implementation of Security Council
resolution 2397 (2017)**

1. In paragraph 17 of Security Council resolution 2397 (2017), adopted on 22 December 2017, the Council called upon all Member States to report to it within 90 days of the adoption of the resolution, and thereafter upon request by the Committee, on concrete measures that they had taken to implement effectively the provisions of the resolution. The present report describes the measures taken by Singapore.

Legislative framework

2. Singapore has the necessary legislative framework in place to meet its obligations under the resolution. This section expands upon the specific measures that have been given effect under the national laws and regulations of Singapore.

Measures given effect under the Strategic Goods (Control) Act and the Regulation of Imports and Exports Act

3. The Strategic Goods (Control) Act and the Regulation of Imports and Exports Act, along with related regulations, allow Singapore to implement the paragraphs of resolution 2397 (2017) relating to the transfer, brokering and inspection of sanctioned items by controlling the export, re-export, trans-shipment, transit and brokering of strategic goods, as well as items which are prohibited from being transferred to and from the Democratic People's Republic of Korea. This includes controls on intangible transfers of technology and a "catch-all" provision that prohibits the export, trans-shipment or transit of items which are not included in the control list, but which are intended or likely to be used in connection with a relevant activity. Relevant activity is defined under the Strategic Goods (Control) Act as the development, production, handling, operation, maintenance, storage, detection, identification or dissemination of any nuclear, chemical or biological weapon; or missiles which are capable of delivering any such weapon.

4. Singapore has imposed a prohibition on the import, export, re-export, transit and trans-shipment of all goods for the purposes of trade with any person in the Democratic People's Republic of Korea. This prohibition applies to all commercial cargo that is for the purposes of trade, but not to humanitarian goods. Singapore has existing permit requirements for the import, export, re-export, transit and trans-shipment of non-commercial cargo from or to the Democratic People's Republic of Korea.

5. Singapore is updating its list of prohibited items in the Seventh Schedule of the Regulation of Imports and Exports Regulations to include the additional items prohibited under paragraphs 6, 7 and 14 of resolution 2397 (2017). The Seventh Schedule already includes the items prohibited under paragraphs 4 and 5 of the resolution.

6. The Strategic Goods (Control) Act and the Regulation of Imports and Exports Act contain the powers necessary for authorized officers to search premises and conveyances in situations where contravention of the two Acts, including provisions implementing the relevant paragraphs of resolution 2397 (2017), is suspected.

Measures given effect under the Merchant Shipping Act and the Maritime and Port Authority of Singapore Act

7. The Merchant Shipping Act and the Maritime and Port Authority of Singapore Act respectively empower the relevant authorities to deregister a Singapore-flagged vessel and refuse entry to any vessel, if necessary, which may extend to situations covered by paragraph 12 of resolution 2397 (2017).

Measures given effect under the Monetary Authority of Singapore (Sanctions and Freezing of Assets of Persons — Democratic People's Republic of Korea) Regulations 2016

8. The requirement for financial institutions to freeze the funds, other financial assets or economic resources of the newly designated individuals/entities pursuant to paragraph 3 of resolution 2397 (2017) is automatically incorporated into the Monetary Authority of Singapore (Sanctions and Freezing of Assets of Persons — Democratic People's Republic of Korea) Regulations 2016.

9. The Monetary Authority of Singapore is updating the Monetary Authority of Singapore (Sanctions and Freezing of Assets of Persons — Democratic People's Republic of Korea) Regulations 2016 to give effect to the new provisions of resolution 2397 (2017) that are applicable to the financial sector. This will complement the prohibition by the Monetary Authority of Singapore (with effect from 31 August 2017) on financial institutions from entering into financial transactions or providing financial assistance or services that are associated with, or may contribute to, any trade with the Democratic People's Republic of Korea or any person in, or national of, the Democratic People's Republic of Korea.

Measures given effect under the Immigration Act

10. The Immigration Act governs the movement of persons into and out of Singapore. Under section 7 of the Act, only citizens of Singapore have an automatic right of entry into Singapore. Under section 6, unless exempted by an order made under section 56, all persons other than a citizen of Singapore must be issued a valid pass before they are allowed entry. As part of entry procedures, they are screened against the Immigration and Checkpoint Authority's system during entry clearance. Nationals of the Democratic People's Republic of Korea who are persons designated under resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2371 (2017), 2375 (2017) and 2397 (2017) will be denied entry and returned to their last port of embarkation, in accordance with international practice. Singapore also imposes a visa requirement on all nationals of the Democratic People's Republic of Korea who wish to enter Singapore.

Measures given effect under the United Nations Act

11. The United Nations Act enables Singapore to give effect to binding decisions of the Security Council through secondary legislation in areas not covered by existing legislation without the need to enact additional primary legislation. Singapore is updating the United Nations (Sanctions — Democratic People's Republic of Korea) Regulations 2010 to give effect to the provisions of resolution 2397 (2017) that are not covered by the above-mentioned pieces of legislation and other administrative measures.

Measures given effect or supplemented by other means*Restrictions on nationals of the Democratic People's Republic of Korea earning income*

12. In paragraph 8 of its resolution 2397 (2017), the Security Council requires Member States to repatriate to the Democratic People's Republic of Korea all nationals of the Democratic People's Republic of Korea earning income in that Member State's jurisdiction and all government safety oversight attachés of the Democratic People's Republic of Korea monitoring workers of the Democratic People's Republic of Korea abroad immediately but no later than December 2019 unless the Member State determines that a national of the Democratic People's Republic of Korea is a national of that Member State or a national of the Democratic People's Republic of Korea whose repatriation is prohibited, subject to applicable national and international law, including international refugee law and international human rights law, and the United Nations Headquarters Agreement and the Convention on the Privileges and Immunities of the United Nations.

13. Singapore has revoked the work passes of all nationals of the Democratic People's Republic of Korea earning income in Singapore and will not grant new work passes to nationals of the Democratic People's Republic of Korea. There are therefore no nationals of the Democratic People's Republic of Korea with work passes in Singapore.

Vessel-related provisions of resolution 2397 (2017)

14. In addition to the existing legislative prohibitions under the United Nations (Sanctions — Democratic People's Republic of Korea) Regulations 2010, the Maritime and Port Authority of Singapore issued a circular on 26 January 2018 to inform and advise the shipping community to comply with resolution 2397 (2017).

Raising awareness of resolution 2397 (2017)

15. The Singapore authorities have proactively engaged business owners and relevant entities to remind them of existing and new restrictions imposed on the Democratic People's Republic of Korea. The Singapore authorities are also reaching out to individual businesses involved in activities with entities linked to the Democratic People's Republic of Korea to advise them to abide by the restrictions imposed by resolution 2397 (2017). In addition, the Singapore authorities have alerted financial institutions to the risk of the Democratic People's Republic of Korea using nominees, front companies and Singaporean companies to circumvent Security Council resolutions.



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Security Council Committee established pursuant to resolution 1718 (2006)

Note verbale dated 19 March 2018 from the Permanent Mission of Bulgaria to the United Nations addressed to the Chair of the Committee

The Permanent Mission of the Republic of Bulgaria to the United Nations presents its compliments to the Chair of the Security Council Committee established pursuant to resolution 1718 (2006) and, in accordance with paragraph 18 of Security Council resolution 2371 (2017) and paragraph 4 of Security Council resolution 2397 (2017), has the honour to present its respective reports on measures taken by the Government of Bulgaria to implement the provisions of resolutions 2371 (2017) (see annex I) and 2397 (2017) (see annex II).



**Annex I to the note verbale dated 19 March 2018 from the
Permanent Mission of Bulgaria to the United Nations addressed to
the Chair of the Committee**

**Report of the Republic of Bulgaria on the implementation of
Security Council resolution 2371 (2017)**

Bulgaria has consistently continued its efforts to implement all restrictive measures imposed on the Democratic People's Republic of Korea by the Security Council and transposed by the European Union in its legal acts.

The Republic of Bulgaria and the other European Union member States have jointly implemented the additional restrictive measures imposed on the Democratic People's Republic of Korea by the Security Council in its resolution 2371 (2017) by adopting the following legal acts:

- Council Implementing Decision (CFSP) 2017/1459 of 10 August 2017 implementing Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea
- Commission Implementing Regulation (EU) 2017/1457 of 10 August 2017 amending Council Regulation (EC) No. 329/2007 concerning restrictive measures against the Democratic People's Republic of Korea
- Council Regulation (EU) 2017/1548 of 14 September 2017 amending Regulation (EU) 2017/1509 concerning restrictive measures against the Democratic People's Republic of Korea
- Council Decision (CFSP) 2017/1562 of 14 September 2017 amending Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea.

At the national level, the competent Bulgarian authorities have taken the steps below to implement the restrictive measures imposed.

The Bulgarian National Customs Agency directly and fully applies the European Union and national legislation concerning the restrictive measures imposed on the Democratic People's Republic of Korea by the Security Council in its resolution 2371 (2017).

In addition to the directly applicable European Union legislation, detailed administrative guidelines are always elaborated for customs officers.

Risk profiles have also been created. They impose mandatory inspections of all cargo within or transiting through the territory of Bulgaria that has originated in or is destined for the Democratic People's Republic of Korea, or is being transported on aircrafts and vessels flagged, or in vehicles registered by, that country. The risk profiles also cover obligatory checks of all cargo that has originated in or is destined for the Democratic People's Republic of Korea, or is being transported on means of transport, including rail and road transport, registered by that country.

In June 2017, two representatives of the Bulgarian National Customs Agency took part in a training-of-trainers course for customs training institutions on the modules of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction. Several courses have been planned for customs officers that will cover the following topics: European and national legislation and regulations concerning trade control of dual-use chemicals; the Chemical Weapons Convention and monitored chemicals; tools for the identification of scheduled chemicals under the Chemical Weapons Convention;

customs control of chemical shipments; transfer provisions under the Chemical Weapons Convention; reporting of the import and export of chemicals under the Chemical Weapons Convention and common problems; and group discussions with practical exercises using real-life situations.

As regards restrictions on admission to the national territory, the Act on Foreigners in the Republic of Bulgaria, Council Decision (CFSP) 2016/2217/CFSP of 8 December 2016 amending Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea and Council Regulation (EC) No. 539/2001 of 15 March 2001 listing the third countries whose nationals must be in possession of visas when crossing the external borders and those whose nationals are exempt from that requirement provide the basis for the refusal of admission and the rejection of visa applications. The Bulgarian Ministry of Interior has imposed travel bans in accordance with Security Council resolution 2371 (2017).

The Ministry of Economy has taken the necessary measures to apply additional sanctions within its sphere of competence.

The most important measures taken include:

- Publication on the official website of the Ministry of Economy of detailed information regarding the newly imposed sanctions, with a particular focus on: the total export ban on coal, iron and iron ore, lead and lead ore and seafood, the introduction of a ceiling on work permits for workers from the Democratic People's Republic of Korea and the ban on setting up new joint ventures with structures or citizens of the Democratic People's Republic of Korea
- A recommendation has been sent to the Bulgarian Small and Medium Enterprises Promotion Agency to share detailed information with Bulgarian companies and business circles on the newly imposed sanctions
- Detailed information has been provided in response to a letter, dated 1 June 2017, from the Panel of Experts established pursuant to Security Council resolution 1874 (2009).

In addition to the common European Union measures, the Republic of Bulgaria has the following national legislation in force, requiring authorization for export, import, transfer, transport, passage, carriage, transit and brokering activities involving defence-related products and dual-use items and technologies, which, together with European Council Common Position 2008/944/CFSP of 8 December 2008 defining common rules governing control of exports of military technology and equipment and Council Regulation (EC) No. 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items, provide the basis for the enforcement of the arms embargo with regard to the Democratic People's Republic of Korea and the ban on related brokering services:

- Ordinance of the Council of Ministers (CoM) 91/2001 on the list of States and organizations against which the Republic of Bulgaria imposes a prohibition or restrictions on the sale and deliveries of arms and related equipment, in compliance with Security Council resolutions, European Union regulations and Organization for Security and Cooperation in Europe decisions
- Ordinance (CoM) 3/2007 on the implementation of resolution 1718 (2006) and Council Common Position 2006/795/CFSP of 20 November 2006 concerning restrictive measures against the Democratic People's Republic of Korea
- Law on the Export Control of Defense-Related Products and Dual-Use Items and Technologies

- Ordinance (CoM) No. 152 of 27 July 2017 on the adoption of a list of defence-related products and a list of dual-use items and technologies subject to control at import
- List of specially empowered customs posts and offices for defence-related products and dual-use items and technologies
- Act on the Prohibition of Chemical Weapons and on Control of Toxic Chemicals and the Precursors thereof
- Ordinance (CoM) No. 16-437 of 4 May 2007 on the terms and conditions for the carrying out of activities with toxic chemical substances and their precursors
- Act on the Implementation of Council Regulation (EC) No. 1236/2005 of 27 June 2005 concerning trade in certain goods which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment
- The Criminal Code.

The Republic of Bulgaria is also a party to international treaties and conventions concerning the non-proliferation of weapons of mass destruction, including the Treaty on the Non-Proliferation of Nuclear Weapons, the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction, and the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction. Bulgaria is a participating State in all relevant multilateral export control regimes, namely the Wassenaar Arrangement, the Nuclear Suppliers Group, the Zangger Committee, the Australia Group, the Missile Technology Control Regime and The Hague Code of Conduct against Ballistic Missile Proliferation.

Banks and branches of foreign banks operating in the territory of the Republic of Bulgaria carry out ongoing reviews of their clients to search for matches with natural and legal persons from the Democratic People's Republic of Korea included in the sanctions lists. There is also ongoing monitoring of cross-border transactions to prevent and block operations related to the ordering or receiving of transfers to or from accounts of citizens of the Democratic People's Republic of Korea who are subject to targeted financial sanctions. Checks are performed automatically through specialized information systems. According to the policies developed, the banks strictly abide by the ban on establishing correspondence with credit or financial institutions stated in article 21, paragraph 2, of Council Regulation (EU) 2017/1509 of 30 August 2017 concerning restrictive measures against the Democratic People's Republic of Korea and repealing Regulation (EC) No. 329/2007.

Banks regularly issue methodological instructions to inform their employees about the adoption and amendment of Security Council resolutions, as well as restrictive measures applied by the Council regarding the implementation of the resolutions.

Banks also organize specialized training for their employees on the implementation of the restrictive measures.

The Bulgarian National Bank sends notifications to banks with specific guidelines on the implementation of restrictive measures.

In the "Bank Supervision/Other Regulations and Requirements/Prevention of Money Laundering and Terrorist Financing/European Legal Framework" section of its official website (http://www.bnb.bg/bnbweb/groups/public/documents/bnb_download/eu_if_eu_reg_dec_aml_en.pdf), the Bulgarian National Bank publishes a list of regulations and decisions adopted by the Council of the European Union concerning

restrictive measures against certain countries. The list is regularly updated and can be accessed in both Bulgarian and English.

According to the relevant Bulgarian authorities, there are no workers of the Democratic People's Republic of Korea in Bulgaria.

**Annex II to the note verbale dated 19 March 2018 from the
Permanent Mission of Bulgaria to the United Nations addressed to
the Chair of the Committee**

**Report of the Republic of Bulgaria on the implementation of
Security Council resolution 2397 (2017)**

The Republic of Bulgaria and the other European Union Member States have jointly implemented the additional restrictive measures imposed on the Democratic People's Republic of Korea by the Security Council in its resolution 2397 (2017) by adopting the following legal acts:

- Council Implementing Regulation (EU) 2018/12 of 8 January 2018 implementing Regulation (EU) 2017/1509 concerning restrictive measures against the Democratic People's Republic of Korea
- Council Implementing Decision (CFSP) 2018/16 of 8 January 2018 implementing Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea
- Council Regulation (EU) 2018/285 of 26 February 2018 amending Council Regulation (EU) 2017/1509 concerning restrictive measures against the Democratic People's Republic of Korea
- Council Decision (CFSP) 2018/293 of 26 February 2018 amending Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea.

At the national level, the relevant Bulgarian authorities have taken the necessary steps to implement the restrictive measures imposed.

According to the relevant Bulgarian authorities, there have been no registered imports or exports of crude oil or petroleum products from or to the Democratic People's Republic of Korea in the territory of the Republic of Bulgaria.

According to the Bulgarian Maritime Administration Executive Agency, there are no data on ships transporting crude oil or petroleum products from or to the Democratic People's Republic of Korea that have entered Bulgarian seaports

According to the relevant Bulgarian authorities, no workers of the Democratic People's Republic of Korea are residing in the territory of the Republic of Bulgaria. No requests have been made by employers to grant nationals of that country access to the labour market.

**Security Council**

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**Security Council Committee established pursuant to
resolution 1718 (2006)****Note verbale dated 19 March 2018 from the Permanent Mission of
the Netherlands to the United Nations addressed to the Chair of
the Committee**

The Permanent Mission of the Kingdom of the Netherlands to the United Nations presents its compliments to the Chair of the Security Council Committee established pursuant to resolution 1718 (2006) and has the honour to submit the national implementation report prepared by the national authorities of the Netherlands pursuant to paragraph 17 of Council resolution 2397 (2017) (see annex).

The Kingdom of the Netherlands welcomes Implementation Assistance Notice No. 2 containing the guidelines on the preparation and submission of national implementation reports and the draft fact sheet compiling certain measures imposed by the Security Council in its resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017) and 2375 (2017) and extends its gratitude to the Committee for its efforts in that regard. The optional checklist template contained in Implementation Assistance Notice No. 2 is a useful tool, and elements from the checklist have been incorporated into the report.



**Annex to the note verbale dated 19 March 2018 from the
Permanent Mission of the Netherlands to the United Nations
addressed to the Chair of the Committee**

**Report by the Netherlands on the implementation of
Security Council resolution 2397 (2017)**

Pursuant to paragraph 17 of Security Council resolution 2397 (2017), the Permanent Mission of the Netherlands to the United Nations has the honour to inform the Committee of the steps taken by the Government of the Kingdom of the Netherlands to implement the measures imposed by the Council in its resolution 2397 (2017).

The implementation of United Nations sanctions is an autonomous competence of Aruba, Curaçao, Sint Maarten and the Netherlands, although the Kingdom of the Netherlands remains accountable under international law. Only the Netherlands is a member of the European Union.

Member States of the European Union implement the provisions of Security Council resolutions that fall within the scope of the competence of the European Union by means of the relevant European regulatory acts, comprising decisions, common positions and regulations of the Council of the European Union. The Netherlands and the other member States of the European Union have jointly implemented the restrictive measures against the Democratic People's Republic of Korea imposed by the Security Council in resolution 2397 (2017) by taking the following common measures:

(a) Council Implementing Decision (CFSP) 2018/16 of 8 January 2018 implementing Council Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea, which implements the designation of additional persons and entities (travel ban and asset freeze);

(b) Council Implementing Regulation (EU) 2018/12 of 8 January 2018 implementing Council Regulation (EU) 2017/1509 concerning restrictive measures against the Democratic People's Republic of Korea, which gives effect to the measures set out in Council Implementing Decision (CFSP) 2018/16;

(c) Council Decision (CFSP) 2018/293 of 26 February 2018 amending Council Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea. The Council Decision sets out the commitment of the European Union to implementing Security Council resolution 2397 (2017) by imposing the following measures:

(i) The European Union had already introduced a full prohibition on the export of all refined petroleum products in Council Decision (CFSP) 2017/1860 of 16 October 2017, including a provision that the export of refined petroleum products could be authorized by the competent authority of a member State for humanitarian purposes under the conditions mentioned in paragraph 14 of Security Council resolution 2375 (2017). In Council Decision (CFSP) 2018/293 it is now further specified that the amount of refined petroleum products authorized for export cannot exceed 500,000 barrels per year and that it includes the export by means of pipelines, rail lines or vehicles;

(ii) Prohibition on the acquisition of fishing rights from the Democratic People's Republic of Korea;

- (iii) Prohibition on exporting crude oil to the Democratic People's Republic of Korea. The Committee may grant exemptions on a case-by-case basis under certain conditions;
 - (iv) Prohibition on the procurement of food and agricultural products, machinery, electrical equipment, earth and stone (including magnesite and magnesite), wood and vessels from the Democratic People's Republic of Korea;
 - (v) Prohibition on exporting industrial machinery, transportation vehicles, iron, steel and other metals to the Democratic People's Republic of Korea, unless it has been determined by a member State that the provision of spare parts is needed to maintain the safe operation of passenger aircraft in the Democratic People's Republic of Korea;
 - (vi) Obligation to cooperate as promptly as possible with another member State which has information that leads to suspect that the Democratic People's Republic of Korea is attempting to export illicit cargo and the member State requests additional maritime and shipping information;
 - (vii) Obligation for member States to seize and dispose of any item identified in inspections of which the export is prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2371 (2017), 2375 (2017) or 2397 (2017);
 - (viii) Obligation for member States to seize, inspect and impound any vessel in their ports or any vessel subject to their jurisdiction in their territorial waters which is suspected to have been involved in activities prohibited by the above-mentioned resolutions. The Committee may grant exemptions to this provision on a case-by-case basis and upon request;
 - (ix) Prohibition on the provision of classification services to vessels identified as being involved in activities or transporting items prohibited by the various resolutions related to the Democratic People's Republic of Korea. The Committee may grant exemptions on a case-by-case basis under certain conditions;
 - (x) Prohibition on the provision of insurance or reinsurance of vessels identified as being involved in activities or transporting items prohibited by the various resolutions related to the Democratic People's Republic of Korea. The Committee may grant exemptions on a case-by-case basis under certain conditions;
 - (xi) Prohibition on registering a vessel that has been deregistered by another State pursuant to paragraph 24 of resolution 2321 (2016), paragraph 8 of resolution 2375 (2017) or paragraph 12 of resolution 2397 (2017);
 - (xii) Obligation to immediately, and no later than 21 December 2019, repatriate, in accordance with international law, all nationals from the Democratic People's Republic of Korea who are earning income in the jurisdiction of that member State and all Democratic People's Republic of Korea government safety oversight attachés who are abroad;
 - (xiii) Prohibition on satisfying any claim in connection with any contract or transaction the performance of which has been affected by the measures;
- (d) Council Regulation (EU) 2018/285 of 26 February 2018 amending Council Regulation (EU) 2017/1509 concerning restrictive measures against the Democratic People's Republic of Korea, which gives effect to the measures set out in Council Decision (CFSP) 2018/293.

Implementation of resolution 2397 (2017) in the Netherlands

The above-mentioned Council Regulation is binding in its entirety and directly applicable to all member States of the European Union. As soon as the European legislation was adopted, the Minister for Foreign Affairs of the Netherlands entered into negotiations with the relevant ministries and other governing bodies in order to lay down the necessary national provisions in secondary legislation within the framework of the Sanctions Act 1977 (Sanctiewet 1977). The amending legislation has been drafted and agreed upon and will be published soon.

Financial control

Provisions from international sanctions regimes, such as those of the United Nations and the European Union, have been transposed into nationally applicable standards through the Sanctions Act 1977 (Sanctiewet 1977). The Act states that the Minister of Finance may designate one or more legal entities to monitor compliance with sanctions legislation (the Sanctions Act 1977 and secondary legislation) in relation to financial transactions. In the Legal Entities Designation Order pursuant to the Sanctions Act 1977, the Minister of Finance designated the central bank of the Netherlands (De Nederlandsche Bank NV) and the Financial Markets Authority (Autoriteit Financiële Markten) as supervisors of compliance with sanctions legislation by specific categories of financial institutions. The central bank is responsible for the supervision of credit institutions, trust offices, payment institutions, pension funds and insurers. The Financial Markets Authority supervises the following financial institutions: managers of undertakings for collective investment in transferable securities, managers of alternative investment funds, as referred to in sections 2:65 and 2:66a of the Financial Supervision Act (Wet op het financieel toezicht), and investment firms.

The Supervision Order pursuant to the Sanctions Act 1977 (Regeling Toezicht Sanctiewet 1977), prepared jointly by the Financial Markets Authority and the central bank, provides financial institutions with a framework for taking measures. There are two types of financial sanctions: an order to freeze assets and a ban or restrictions on providing financial services. These sanctions are intended to prevent undesirable transactions (embargoes) and to combat terrorism. Institutions take measures to ensure that they can identify clients and associates that are legal or natural persons or entities referred to in sanctions legislation. Institutions subsequently ensure that they do not provide financial resources or services to those clients and associates and that they are able to freeze their financial assets.

In short, financial institutions are required to have proper internal controls so that they can meet their obligations under sanctions legislation. They also have an obligation to notify supervisory bodies of any frozen funds or frozen financial assistance. Failure to meet those obligations can result in a penalty under national administrative law. Infringement of those standards is also deemed to be an offence under the Economic Offences Act (Wet op de Economische Delicten). There are currently no reports of frozen funds or frozen financial assistance under European Union Council regulations that derive from the sanctions regime against the Democratic People's Republic of Korea.

As part of an annual risk analysis, financial institutions are required to report their activities in countries named under sanctions regimes. The central bank assesses the inherent sanctions risks of financial institutions. The information provided is analysed and outliers are assessed. The central bank conducts thematic reviews of compliance with sanctions legislation and takes action in response to occasional incidents (e.g. if a financial institution or other entity reports an alleged breach of sanctions legislation).

Since the submission of the report on the implementation of resolutions 2371 (2017) and 2375 (2017), no financial institutions have reported any business with regard to the Democratic People's Republic of Korea. Any new obligation stemming from sanctions legislation are communicated to the relevant financial institutions to further increase awareness in the financial sector.

In 2016 and 2017, the Financial Markets Authority investigated an entity under its supervision that may have violated sanctions measures. No violations could be established and the case was closed. Since then, no cases have been reported.

In addition to conducting investigations, the Financial Markets Authority operated the sanctions alert system of the central bank in 2017. The central bank uses the system to publicize new sanctions measures of relevance to financial businesses. In this regard, businesses in the financial sector have been alerted to the upcoming prohibition on the provision of insurance or re-insurance services to vessels which are reasonably believed to be involved in activities prohibited by earlier resolutions, including the transport of banned items.

Import and export control

The export control unit is located at the Ministry of Foreign Affairs of the Netherlands and falls under the responsibility of the Minister for Foreign Trade and Development Cooperation. All enforcement activities, however, are the responsibility of the customs service, which is part of the Ministry of Finance. In addition to general customs tasks related to sanctions, a special customs unit, the precursors, strategic goods and sanctions legislation team, is responsible for company audits, inspections and investigations. The team also contacts the public prosecutor whenever sufficient evidence has been collected to bring a case to trial. There is a distinction between daily customs tasks at the border (port of Rotterdam and Schiphol airport) and the tasks carried out by the team. Border officials are responsible for checking export declarations and conducting physical checks. Such checks, which are based mainly on risk management (warning signals, intelligence information, etc.), are overseen by the customs national tactical centre. As all imports from and exports to the Democratic People's Republic of Korea have a risk profile, they are automatically checked. The precursors, strategic goods and sanctions legislation team of the customs service selects cases to be subject to enforcement activity. The team specializes in enforcement, including supervisory inspections (audits) and investigations (including criminal investigations), in relation to drug precursors, strategic goods (dual-use and military) and sanctions and anti-torture legislation. The Ministry of Foreign Affairs works closely with the export control unit and the customs service. Planned inspections are jointly implemented and there is close communication to ensure prompt notification and action whenever irregular behaviour by an organization is observed. Cases are selected on the basis of the severity of a violation and the evidence available. The customs service keeps the export control unit updated if a case is brought to the attention of the public prosecutor.

The report on the implementation of resolutions 2371 (2017) and 2375 (2017) mentioned the interception of a consignment of equipment destined for the Democratic People's Republic of Korea. However, the customs service was unable to establish that a sanctions measure had been breached. Since then, no consignments from or destined for the Democratic People's Republic of Korea have been intercepted.

Visa control

With regard to the restrictions on admissions (visa bans), the Netherlands implements the relevant provisions in accordance with existing national frameworks. Council Decision (CFSP) 2016/849 of 27 May 2016 and Council Regulation (EC) 539/2001 of 15 March 2001 provide the basis for refusing admission and denying visa requests.

The individuals listed in Council Decision (CFSP) 2016/849 have been registered in the Schengen Information System, which ensures that any request by those individuals for a Schengen visa will be denied. The embassy of the Netherlands in Beijing processes almost all visa applications for nationals of the Democratic People's Republic of Korea and is aware of the importance of implementing the sanctions against the individuals listed in Decision (CFSP) 2016/849. Since mid-November 2017 one visa has been granted to a national of the Democratic People's Republic of Korea.

Regarding the obligation to repatriate all nationals of the Democratic People's Republic of Korea earning income abroad and all government safety oversight attachés monitoring workers from the Democratic People's Republic of Korea, the implementation by the Netherlands will be regulated through the adoption of an amendment to the Foreign Nationals Employment Act Implementation Decree (Besluit uitvoering Wet arbeid vreemdelingen), which will revoke all exemptions from work permits for nationals of the Democratic People's Republic of Korea. The amendment is expected to pass, as are two previously announced amendments, which stipulate that no work authorizations may be granted to nationals of the Democratic People's Republic of Korea. The amendments are expected to enter into force in 2018. Until then, the relevant national authority has been instructed to reject any requests for work authorizations for nationals of the Democratic People's Republic of Korea.